



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/828,497

04/21/2004

Marcel Naas

741439-13

4289

22204

7590

05/27/2009

NIXON PEABODY, LLP

401 9TH STREET, NW

SUITE 900

WASHINGTON, DC 20004-2128

EXAMINER

MERCHANT, SHAHID R

ART UNIT

PAPER NUMBER

3692

MAIL DATE

DELIVERY MODE

05/27/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/828,497	<b>Applicant(s)</b> NAAS ET AL.	
	<b>Examiner</b> SHAHID R. MERCHANT	<b>Art Unit</b> 3692	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 19 February 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-73 is/are pending in the application.
- 4a) Of the above claim(s) 33-73 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,3-6,8-11,13-17,19-22,24-27 and 29-32 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Remarks***

1. Examiner notes that typographical corrections were required in previous Non-Final Office Action mailed on May 4, 2009. Therefore, the Non-Final Office Action mailed on May 4, 2009 is hereby withdrawn, and is being replaced with this Supplemental Office Action. Examiner notes that a new, updated PTO-892 is enclosed with corresponding prior art.

### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on November 7, 2008 has been entered.

### ***Election/Restrictions***

3. Applicant's election without traverse of claims 1, 3-6, 8-11, 13-17, 19-22, 24-27 and 29-32 in the reply filed on February 19, 2009 is acknowledged.

### ***Status of the Claims***

Art Unit: 3692

4. This action is in response to the request for continued examination filed on November 7, 2008 and reply filed on February 19, 2009 regarding the election of claims 1, 3-6, 8-11, 13-17, 19-22, 24-27 and 29-32.

- Claims 1-73 are pending.
- Claims 2, 7, 12, 18, 23, 28, 39 and 59 have been cancelled.
- Claims 33-38, 40-58 and 60-73 have been withdrawn.
- Claims 1, 3, 5, 8, 11, 13-17, 19-21, 24-25, 27, 29-32 have been amended.
- Claims 33, 37, 40, 42, 44-45, 47, 49-53, 60-62, 64-65 and 69-73 have been amended, however the claims have been withdrawn from examination.

### ***Response to Arguments***

5. Applicant's arguments with respect to claims 1, 3-6, 8-11, 13-17, 19-22, 24-27 and 29-32 have been considered but are moot in view of the new ground(s) of rejection.

### ***Claim Rejections - 35 USC § 112***

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 1, 3-6, 8-11 and 13-16 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Art Unit: 3692

8. Regarding claims 1, 3, 5, 9, 13, 15 and 16, Applicant uses the phrase “adapted to” which makes the claim indefinite, because it is unclear whether the step is actually being performed. For example, in claim 3, Applicant recites the “securities pooling and allocation unit is further adapted to allocate...” It is not clear whether the securities pooling and allocation unit is actually allocating the security or not. Applicant is advised to review MPEP § 2111.04 [R-3].

9. Regarding claim 1, Applicant recites “a clearing system connected to said trading system and being configured to generate...” It is not clear which system (clearing or trading or both) Applicant is referring to as “being configured.”

### ***Claim Rejections - 35 USC § 101***

10. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

11. Claims 17, 19-22, 24-27 and 29-31 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In *re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876).

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a

Art Unit: 3692

particular machine. Thus, claims 17, 19-22, 24-27 and 29-31 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101.

Note the Board of Patent Appeals Informative Opinion *Ex parte* Langemyr.

### ***Claim Rejections - 35 USC § 103***

12. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

13. Claims 1, 3-6, 8-11, 13-17, 19-22, 24-27 and 29-32 rejected under 35 U.S.C.

103(a) as being unpatentable over Eurex, as evidenced by “The Benchmark in Electronic Repo Trading” (see PTO-892, Ref. U), “About Eurex, Corporate Profile” (see PTO-892, Ref. V), “Eurex Launches Swiss Equity-Repo Trading” (see PTO-892, Ref. W), “Eurex Clearing AG, Extension of Services” (see PTO-892, Ref. X), and “Eurex Handbook, Life of a Repo Trade” (see PTO-892, Ref. Y) in view of Tri-Party Repo Back in the Spotlight by Brian Bollen (see PTO-892, Ref. BB). Hereinafter Bollen.

14. As per claim 1, Eurex teaches a repo basket transaction system comprising:

a trading system connected to receive repo quotes from market participants, the repo quotes specifying a repo basket transaction and including a security basket

Art Unit: 3692

definition indicating a security amount and at least one class of securities (see PTO-892, References U and W);

a clearing system connected to said trading system and being configured to generate settlement instructions relating to repo basket transactions that correspond to the security basket definition, the settlement instructions being based on a negotiation of a repo transaction resulting from the repo quotes (see PTO-892, References U and X);

a settlement system connected to said clearing system to receive settlement instructions relating to repo basket transactions (see PTO-892, References U and X);

wherein said settlement system comprises a securities pooling and allocation unit adapted to allocate at least one specific security that meets the security basket definition, said settlement system also being adapted to complete the repo transaction by posing the allocated specific security on sub-ledger securing and cash accounts (see PTO-892, Reference Y, pages 12-17).

Eurex does not explicitly teach defining a synthetic security, said security basket definition not indicating specific securities.

Bollen teaches defining a synthetic security, said security basket definition not indicating specific securities (see PTO-892, Ref. BB, page 3).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Eurex and Bollen to define a synthetic security that does not indicate specific securities because it allows one to

Art Unit: 3692

“move a large bulk of collateral around without huge-in house infrastructure costs” as taught by Bollen (see PTO-892, Ref. BB, page 3).

15. As per claim 3, Eurex and Bollen teach the system of claim 1 as described above. Eurex further teaches wherein said securities pooling and allocation unit is further adapted to allocate said at least one specific security based on predefined rules (see PTO-892, Reference U, page 2 and Reference W).

16. As per claim 4, Eurex teaches the system of claim 3 as described above. Eurex further teaches wherein said predefined rules are standardized general settlement rules or market participant specific rules (see PTO-892, Reference U, page 2 and Reference X, pages 6-7).

17. As per claim 5, Eurex teaches the system of claim 3 as described above. Eurex further teaches wherein said settlement system further comprises a storage for storing data indicating said at least one specific security in association with data indicating said at least one class of securities, and said securities pooling and allocation unit is adapted to access said storage when allocating said at least one specific security based on said predefined rules (see PTO-892, Reference V). Eurex is a fully electronic exchange operating over a wide-area communications network (WAN). It is inherent in a fully electronic system like Eurex that a computer/computers which consist of processors and memories would be used to operate the system.

18. As per claim 6, Eurex teaches the system of claim 5 as described above. Eurex further teaches wherein said storage is arranged for storing said data in market participant specific memory regions, and said association is a market participant specific

Art Unit: 3692

association (see PTO-892, Reference V). Eurex is a fully electronic exchange operating over a wide-area communications network (WAN). It is inherent in a fully electronic system like Eurex that a computer/computers which consist of processors and memories would be used to operate the system.

19. As per claim 8, Eurex and Bollen teach the system of claim 1 as described above. Eurex further teaches wherein said clearing system is arranged for performing a trade margin calculation process based on a risk calculation based on said security basket definition (see PTO-892, Reference X, pages 7-8).

20. As per claim 9, Eurex teaches the system of claim 8 as described above. Eurex further teaches wherein said risk calculation process is adapted to access an individual average risk profile for each class of securities (see PTO-892, Reference X, pages 7-8).

21. As per claim 10, Eurex teaches the system of claim 8 as described above. Eurex further teaches wherein said clearing system is further arranged for sending repo confirmation messages to the trading system prior to said calculation (see PTO-892, Reference X, pages 7-8).

22. As per claim 11, Eurex and Bollen teach the system of claim 1 as described above. Eurex further teaches wherein said clearing system is arranged for determining whether the security basket amount exceeds a predefined threshold, and if so, generating plural settlement instructions each causing said settlement system to allocate amounts not exceeding said threshold (see PTO-892, Reference X, pages 7-8).

23. As per claim 13, Eurex and Bollen teach the system of claim 1 as described above. Eurex further teaches wherein said settlement system is adapted to create a

Art Unit: 3692

sub-ledger independent from general ledger accounts of the market participants and post the at least one allocated specific security in said sub-ledger (see PTO-892, Reference Y, pages 12-17).

24. As per claim 14, Eurex teaches the system of claim 13 as described above.

Eurex further teaches comprising an earmarking unit for marking the at least one allocated specific security to be posted in said sub-ledger but not in said general ledger accounts (see PTO-892, Reference Y, pages 12-17).

25. As per claim 15, Eurex teaches the system of claim 14 as described above.

Eurex further teaches wherein said earmarking unit is adapted to first mark the at least one allocated specific security to be transferred from a first market participant's account to an account of a central counterpart, and then mark the at least one allocated specific security to be transferred from said account of a central counterpart to a second market participant's account (see PTO-892, Reference Y, pages 12-22).

26. As per claim 16, Eurex teaches a settlement system capable of being operated in a repo basket transaction system, connected to receive settlement instructions relating to repo basket transactions and to receive a security basket definition indicating at least one class of securities, comprising:

a securities pooling and allocation unit adapted to, in response to settlement instructions, allocate at least one specific security that meets the security basket definition (see PTO-892, Ref. Y, pages 12-17, Ref. X, pages 3-4 and Ref. U).

Eurex does not explicitly teach defining a synthetic security, said security basket definition not indicating specific securities.

Bollen teaches defining a synthetic security, said security basket definition not indicating specific securities (see PTO-892, Ref. BB, page 3).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Eurex and Bollen to define a synthetic security that does not indicate specific securities because it allows one to “move a large bulk of collateral around without huge-in house infrastructure costs” as taught by Bollen (see PTO-892, Ref. BB, page 3).

27. Claim 17 recites similar limitations to claim 1 and thus rejected using the same art and rationale in the rejection of claim 1 as set forth above.

28. Claim 19 recites similar limitations to claim 3 and thus rejected using the same art and rationale in the rejection of claim 3 as set forth above.

29. Claim 20 recites similar limitations to claim 4 and thus rejected using the same art and rationale in the rejection of claim 4 as set forth above.

30. Claim 21 recites similar limitations to claim 5 and thus rejected using the same art and rationale in the rejection of claim 5 as set forth above.

31. Claim 22 recites similar limitations to claim 6 and thus rejected using the same art and rationale in the rejection of claim 6 as set forth above.

32. Claim 24 recites similar limitations to claim 8 and thus rejected using the same art and rationale in the rejection of claim 8 as set forth above.

33. Claim 25 recites similar limitations to claim 9 and thus rejected using the same art and rationale in the rejection of claim 9 as set forth above.

Art Unit: 3692

34. Claim 26 recites similar limitations to claim 10 and thus rejected using the same art and rationale in the rejection of claim 10 as set forth above.

35. Claim 27 recites similar limitations to claim 11 and thus rejected using the same art and rationale in the rejection of claim 11 as set forth above.

36. Claim 29 recites similar limitations to claim 13 and thus rejected using the same art and rationale in the rejection of claim 13 as set forth above.

37. Claim 30 recites similar limitations to claim 14 and thus rejected using the same art and rationale in the rejection of claim 14 as set forth above.

38. Claim 31 recites similar limitations to claim 15 and thus rejected using the same art and rationale in the rejection of claim 15 as set forth above.

39. Claim 32 recites similar limitations to claims 1 and 17 and thus rejected using the same art and rationale in the rejection of claims 1 and 17 as set forth above.

### ***Conclusion***

40. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. See attached PTO-892, References Z, AA, CC and DD.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SHAHID R. MERCHANT whose telephone number is (571)270-1360. The examiner can normally be reached on First Friday Off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz P. Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3692

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Shahid R Merchant/  
Examiner, Art Unit 3692